



22nd June 2011

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Bathurst reaches collaborative agreement with Solid Energy including transportation and infrastructure rights

Bathurst Resources Limited's (ASX & NZX: BTU) wholly owned subsidiary – Buller Coal Limited (**BCL**) – has reached agreement with Solid Energy New Zealand Limited (**Solid Energy**) to collaborate as each business seeks to develop their export coal resources on the Denniston Plateau, where BCL is establishing its Escarpment Mine Project (**EMP**).

The agreement provides for:-

- Collaborative mine planning and designs on the Plateau where the two companies have common boundaries;
- Coal transport agreement for up to 500,000 metric tonnes, or 25% of BCL's expected coal production via rail through to the Port of Lyttelton;
- Both parties working together to identify and implement arrangements to enable each to have sufficient water available for their respective coal mining operations on the Denniston Plateau;
- Solid Energy granting BCL the right to locate some of its facilities inside areas covered by Solid Energy's coal mining licences on the Denniston Plateau; and
- Solid Energy having access to BCL's infrastructure, on appropriate commercial terms, to avoid unnecessary duplication of processing & coal transportation facilities.

Commenting on today's announcement, Bathurst's CEO Hamish Bohannon said:

"This is a landmark Agreement for both companies as it will ensure efficient use of resources, including water, and also avoid unnecessary duplication of assets on the Plateau.

"The Agreement demonstrates both companies commitment to ensuring that mining on the Plateau is carried out in a sustainable manner with as minimal environmental impact as possible.

“Our two companies will continue to work together to ensure coal mining, processing and transporting off the Plateau is done in the most efficient and optimal manner.”

Access to Facilities

The agreement will enable BCL to locate some of its facilities inside areas covered by Solid Energy’s coal mining licences on the Plateau.

Furthermore, under particular circumstances and on commercial terms, the agreement enables Solid Energy to use any available spare capacity within BCL’s wash plant or coal transportation pipeline.

Coal Transport Agreement

Under the agreement Solid Energy has agreed to transport up to 25 per cent of BCL’s annual coal production to the Port of Lyttelton by rail, building from 200,000 to 500,000 metric tonnes of coal a year. The agreement is for a term of 10 years from first commercial coal production and may allow for increased tonnage after year five.

The agreement, which is not of a take-or-pay nature, is based on commercial transport rates for the 380km rail link from Westport to the Port of Lyttelton.

The remaining 75 per cent of BCL’s coal will be shipped through the port of Westport.

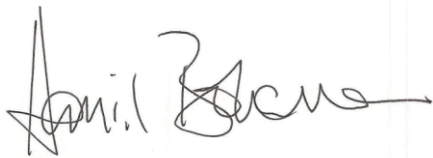
Resource Consent Hearing

BCL has applied for resource consents from the Buller District Council and the West Coast Regional Council for the project and an access agreement and two concessions with the Department of Conservation.

BCL anticipates the EMP will create about 225 jobs and approximately NZ\$30 million a year in salaries and wages for the West Coast.

The Resource Consent Hearing process is currently underway in Westport.

On behalf of Bathurst Resources Ltd



Hamish Bohannan
Managing Director

For more information:

Hamish Bohannan
Managing Director
Bathurst Resources Ltd
+61 8 9481 2100

Tim Manners
Chief Financial Officer
Bathurst Resources Ltd
+61 8 9481 2100

David Griffiths
Principal
Gryphon Management Australia
+61 8 9382 8300

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About Bathurst

Bathurst Resources Limited is an Australian listed company focused on becoming a producer of high quality coking and thermal coal to niche export markets.

The Buller Coal Project is Bathurst Resources' flagship project and is known for its high quality, low ash and high fluidity coking coals.

Bathurst acquired the Buller project through the acquisition of L&M Coal Limited. The Buller project area comprises three permits surrounding state-owned Solid Energy's Stockton opencast mining operation.

In November 2010 Bathurst entered into a Share Purchase Agreement with Galilee Energy Limited to acquire its New Zealand coal assets owned by its wholly owned subsidiary Eastern Resources Group Limited. The acquisition, which was completed in March 2011, includes the Whareatea West coal project adjacent to the Buller project as well as two operating coal mines – Cascade adjacent to the Buller operations and Takitimu in Ohai region of New Zealand.

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